NORTHERN ILLINOIS GAS COMPANY
d/b/a NICOR GAS COMPANY
RESPONSE TO:
CITIZENS UTILITY BOARD
FIRST DATA REQUEST
DOCKET NO. 02-0067

CUB 1.17 Q. Reference page 6 of Mr. Behrens' testimony. Of the $24.4 million of savings achieved by the Company in 2000, and the $29.7 million achieved in 2001, please identify or estimate, as applicable, the amount of savings achieved by each of the following:

A. A more detailed and comprehensive planning process;
B. Third-party arrangements to manage storage;
C. Third-party arrangements to manage transportation;
D. More active pursuit of sales of natural gas;
E. Hedging strategies and financial tools for storage activities;
F. Hedging strategies and financial tools for firm transportation;
G. Hedging strategies and financial tools for managing market price volatility;
H. Managing storage differently and testing operational boundaries by changing the timing of injections and withdrawals;
I. The addition of two Gas Purchasing Department positions; and
K. Other (describe).

ENG 1.17 A. The Company responds to this question below, but objects to the question to the extent that it calls for speculation, requests information not maintained by the Company, and seeks information that is irrelevant, beyond the scope of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, the Company states as follows:

The amount of savings achieved by each of the items listed above is not available. Because the GCPP is a comprehensive benchmark, all of the above listed actions were taken toward the overall goal of reducing gas costs. Just as the transportation and storage assets were utilized in conjunction with the commodity purchase decisions to achieve an overall reduction in gas costs, so too were the above actions utilized in an interconnected manner.

Company Witness: George M. Behrens

NORTHERN ILLINOIS GAS COMPANY
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RESPONSE TO:
CITIZENS UTILITY BOARD
SECOND DATA REQUEST
DOCKET NO. 02-0067

CUB 2.01 Q. Reference the response to ENG 1.4 and ENG 1.33. Please identify what portion of the $28 million is sales for resale losses in 2001 were associated with selling excess gas due to warmer than normal conditions, and what portion was attributable to selling gas at fixed prices that were below market prices.

CUB 2.01 A. The Company computes sales for resale gain or losses on an aggregate basis only. The Company has not estimated nor attempted to break out sales gains or losses due to weather conditions or other categories.

Company Witness: George M. Behrens

NORTHERN ILLINOIS GAS COMPANY
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CITIZENS UTILITY BOARD
THIRD DATA REQUEST
DOCKET NO. 02-0067

CUB 3.01 Q. Reference lines 273-275 of Mr. Behrens' rebuttal testimony. Please explain in detail why January withdrawals are priced based on the cost of summer injections in the current year under the Company's traditional PGA regulations. Explain how January withdrawals can be priced on summer injections when summer prices aren't known in January.

A. 83 Illinois Administrative Code, Part 525, Purchased Gas Adjustment Clause, requires a reconciliation of all gas costs and revenues for an annual period. For all gas utilities, the annual period corresponds to their fiscal year. For Nicor Gas, the reconciliation period is the calendar year. In order to avoid a large mismatch between gas costs and revenues for the calendar year, gas withdrawn from storage in the first months of the year must be priced at an estimate of the replacement cost of gas for injections during the summer. The Company uses the NYMEX future prices as the basis for estimating the replacement cost of gas withdrawn from storage. In this manner, all revenue from gas sold in the calendar year can be reconciled with gas costs for the same calendar year. Additionally, this method is consistent with Generally Accepted Accounting Principles ("GAAP").

As a simplified example, assume the Company withdraws one therm of gas in January and sells it to a customer at an estimated summer purchase price of $0.30. In August, the Company buys and injects one therm of gas at $0.28. The reconciliation at the end of the year would show an overcollection of $0.02.

Thus, the Company begins the year estimating the withdrawal price of gas and updates this price throughout the year in an attempt to match its actual gas costs. As the above example shows, the closer the Company's estimated withdrawal price matches the actual injection cost, the smaller the variance in gas costs and revenues at the end of the reconciliation period.

Company Witness: George M. Behrens

NORTHERN ILLINOIS GAS COMPANY
d/b/a NICOR GAS COMPANY
RESPONSE TO:
CITIZENS UTILITY BOARD
FIRST DATA REQUEST
DOCKET NO. 02-0067

CUB 1.13 Q. Reference Exhibit GMB-1. Please provide a schedule showing the actual cost of the mmBtu's delivered under the market index cost by month for 2000 and 2001.

CUB 1.13 A. The Company responds to this question below, but objects to the question to the extent that it seeks information that is irrelevant, beyond the scope of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, the Company states as follows:

The GCPP is a comprehensive benchmark, which is intended to allow the Company to take actions toward the overall goal of reducing gas costs. Please see the attached exhibit.

Company Witness: George M. Behrens

Nicor Gas

Docket No. 02-0067
CUB 1.13 Revised
Exhibit 1
(Revised 04/02/02)

Actual costs of MMBtu's Delivered for 2000 and 2001

	January	February	March	April	May	June	July	August	September	October	November	December
2001												
Actual Gas Costs	$ 479,762,311	$ 276,389,659	$ 161,231,206	$ 88,720,034	$ 42,160,148	$ (6,077,571)	$ 20,527,174	$ 19,792,836	$ 8,206,411	$ 23,176,568	$ 57,719,639	$125,547,351
Sales Deliveries (MMBtu)	48,925,325.0	41,494,062.0	34,569,420.0	14,347,426.0	9,221,726.0	6,129,341.0	5,679,415.0	5,062,806.0	7,063,936.0	15,934,396.0	19,113,682.0	37,765,307.0
Actual Cost of MMBtu's delivered	$ 9.8060	$ 6.6609	$ 4.6640	$ 6.1837	$ 4.5718	$ (0.9916)	$ 3.6143	$ 3.9095	$ 1.1617	$ 1.4545	$ 3.0198	$ 3.3244
2000												
Actual Gas Costs	$ 140,009,263	$ 110,571,004	$ 85,264,098	$ 68,071,507	$ 48,818,243	$ 65,793,526	$ 44,940,396	$ 35,525,205	$52,666,597	$ 85,137,704	$ 165,066,202	$392,023,129
Sales Deliveries (MMBtu)	49,464,542	35,210,079	25,337,889	19,016,722	8,374,260	7,229,604	5,245,614	6,327,079	6,558,276	12,343,486	31,804,601	56,648,644
Actual Cost of MMBtu's delivered	$ 2.830	$ 3.140	$ 3.365	$ 3.580	$ 5.830	$ 9.101	$ 8.567	$ 5.615	$ 8.031	$ 6.897	$ 5.190	$ 6.920